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TOURISM, CLASS AND CRISIS

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Abstract

The academic literature on tourism is focused on its problems – its lack of sustainability, its lack of responsibility, its poor treatment of its workers, its contribution to climate change, terrorism, its environmental impacts, its responsibility for evicting people from their land. It is assumed that these are discrete problems that are soluble – that mass tourism with a responsible face is a possibility. This approach tackles each problem separately and argues that with cooperation, goodwill, a stronger state and an educated public, solutions are possible. In this paper we start with the profits crisis of the early to mid seventies and argue that a range of counter tendencies developed that was able to resist the tendency of the rate of profit to fall. Tourism expanded rapidly with the rise of that neo-liberal class settlement in the eighties because it embodied many of those counter tendencies. It was not, however, just a reflection of neo-liberalism which emerged as the way to restore the rate of profit, but helped to lay the groundwork for it. Tourism's natural features, its use of space, the relatively small workplace, the use of unskilled labour, are all counter tendencies. In the article it is argued that they are essentially about intensifying class relations and at that stage in the economic cycle they were successful. However the problems that now plague tourism are a result of those trends. The second part of the article looks at how these counter tendencies also have negative effects – that is they are internally contradictory. Class relations in particular are now causing problems. These problems are so severe that it is arguable that the sector is coming up against the limits of accumulation because of the way that it expanded. If one looks at it from capital's perspective the sector may indeed not be viable, because the externalities that it ignores

involves the state in remedial work. Ultimately capital pays those costs but indirectly. Possibly this is an early sign that neo-liberalism itself is reaching the limits to its accumulation.

Keywords: Counter tendencies; Class, Tourism; Falling rate of profit; Capital accumulation; Spatial fix

Turismo, clase y crisis

Resumen

La literatura académica sobre el turismo se centra en sus problemas – su falta de sostenibilidad, su falta de responsabilidad, su pobre tratamiento de sus trabajadores, su contribución al cambio climático, el terrorismo, sus impactos ambientales, su responsabilidad de desalojar a las personas de sus tierras. Se supone que estos son problemas discretos que son resolubles – que el turismo de masas con una cara responsable es una posibilidad. Este enfoque aborda cada problema por separado y argumenta que con la cooperación, la buena voluntad, un estado más fuerte y un público educado, las soluciones son posibles. En este artículo comenzamos con la crisis de los beneficios de los primeros a mediados de los setenta y argumentamos que se desarrolló una serie de contracorrientes que fueron capaces de resistir la baja tendencial de la tasa de ganancia. El turismo se expandió rápidamente con el surgimiento de ese asentamiento de clase neoliberal en la década de los ochenta, porque encarnó muchas de esas contratendencias. No fue, sin embargo, sólo un reflejo del neoliberalismo que surgió como el camino para restablecer la tasa de ganancia, pero ayudó a sentar las bases para ello. Las características naturales del turismo, su uso del espacio, el lugar de trabajo relativamente

pequeño, el uso de mano de obra no calificada, son todas contraindicaciones. En el artículo se argumenta que se trata esencialmente de intensificar las relaciones de clase y en esa etapa del ciclo económico tuvieron éxito. Sin embargo, los problemas que ahora afectan al turismo son el resultado de esas tendencias. La segunda parte del artículo examina cómo estas tendencias contrarias también tienen efectos negativos - es decir, son internamente contradictorias. Las relaciones de clase en particular ahora están causando problemas. Estos problemas son tan severos que es discutible que el sector está enfrentándose a los límites de la acumulación debido a la forma en que se expandió. Si uno lo observa desde la perspectiva de la capital, el sector puede ser no viable, porque las externalidades que ignoran implican al estado en el trabajo correctivo. En última instancia, el capital paga esos costos pero indirectamente. Posiblemente esto es una señal temprana de que el neoliberalismo mismo está llegando a los límites de su acumulación.

Palabras llave: Contra tendencias; clase, turismo; caída de la tasa de ganancia; acumulación de capital; solución espacial

1. Introduction

Tourism is a sector with unique features that was critical in allowing capital overcome the seventies crisis of profitability by utilising the counter tendencies (CTs) to the falling rate of profit. This paper explores how this has been achieved and argues that this process has led to a mass of interlocking problems that are likely to limit tourism's further expansion. Tourism grew rapidly because it provided an outlet for capital to escape the contradictions that held its expansion back in the advanced capitalist countries, but it has now reconstituted them at a different level. Tourism is now coming up against its limits.

The first argument is that tourism's primary driver is a class politics that developed as a set of crisis avoidance strategies to revive the faltering system of capital accumulation. The 1970s in Britain and the US saw the end of the postwar boom (Calhoun and Derluigan, 2011) and a severe crisis of profitability (Kliman, 2012). In Britain, this triggered a period of

social unrest as two decades of naked class antagonisms paved the way for the neo-liberal class settlement. This it did by articulating the CTs (Kliman, 2012; Vidal, 2013). These had the effect of reversing the social democratic settlement so as to clear the social, political, economic, spatial and environmental barriers that inhibit accumulation (Harvey, 2010). Over the following four decades these CTs changed the relative power of capital and labour, creating freedoms for capital that tourism exploited. Tourism, therefore, does not just reflect the growth of neo-liberalism but has been central to the construction of the class settlement that brought these changes about. It restructures societies in neo-liberalism's image because of the physical concurrence of production and consumption, providing opportunities for investment free from class pressures and regulation, moulding the new working class, and introducing oppressive class relations that allow the industry to take the most desirable resources.

The second argument is that the CTs are internally contradictory. They have now limited tourism's expansion causing a grid of interlocking problems. Tourism conceptualises them as contingent and particular to the economic, social, political and ecological spheres - climate change, pollution, security, terrorism, the violation of ethics, the dumping of externalities on poor populations, low pay, employment of vulnerable workers and the unequal consumption of tourism among populations. These issues should be re-conceptualised in class terms. For example high-income tourists outbidding locals for land or water, is a class issue around the privatisation of public goods. Since citizenship is now equated with consumerism, 'the right to tourism' has become a 'chain of gold', that is conditionally provided to the working class as a reward for their loyalty (Eisenschitz, 2010). The over-dependency of some poor countries on tourism that makes them vulnerable to crisis, should also be re-conceptualised as a symptom of the loss of economic autonomy in the face of Western power.

These issues are very visible. Because tourism is consumed where it is produced, it exposes the normally hidden class relations, juxtaposing poor

locals and rich visitors and demonstrating the neo-imperialist relationships of the global economy. The existence of low wage, immigrant labour forces in settled communities, creates resentment. Existing small providers may be displaced as the international chains move in, creating a threatened petit bourgeoisie that may promote a radical politics of right and left. The narrative used to interpret cultures and history derives from the winners and may risk offending minorities, particularly if they choose particular stories for the symbolic capital that they are creating with which to brand places. Finally, the tourism industry with its homogeneous products competes with similar locations throughout the world. The tourism intermediaries such as tour operators intensify this, forcing prices and wages down and exerting control from a distance. These problems may be summarised by the almost total contrast between the World Tourist Organisation's code of ethics (WTO, 2001) and the practice of tourism.

This story illustrates capitalism's irrationality. Its expansion depends upon intensifying class relations – expressed by tourism's articulation of the CTs – yet that process has inhibited further expansion. Terrorism has crippled tourism in three major destinations, Tunisia, Egypt and Turkey, illustrating that the forces behind its growth – cheap labour, cheap oil and long distance labour mobility – have now generated a heavily mediated class struggle arising out of neo-imperialism. Escape from crisis depends upon intensifying class relations to allow for the appropriation of surplus value, yet that brings forth reactions that close it off.

Tourism's attempts to develop sustainable, volunteer or social tourism are misplaced since their implementation within the neo-liberal model of accumulation intensifies the problems. Resolution of class problems must demand a class politics. These problems have emerged out of solutions to economic crisis and cannot therefore be open to amelioration. At the same time they also prevent significant further expansion because that would inflame class tensions even more. If, therefore, tourism falters, it makes neo-liberalism vulnerable, since it too may be reaching the limits to its expansion (Meszaros, 1995: 145-149).

Section two identifies the principle class strategies that tourism developed to circumvent the limits on capital accumulation that the profits crisis imposed. Section three identifies how that expansion has its own problems that may halt the further development of tourism.

2. Tourism's crisis avoidance strategies

Capitalism's normal condition is stagnation (Balakrishnan, 2011; Kliman, 2010; Vidal, 2013). Since 1820 it has spent one third of the time in recession (Mattick, 2010), the primary cause being the tendency for the rate of profit to fall thereby leading to lower investment, sluggish growth and falling demand. The crisis can be seen as either a result of the tendency of the rate of profit to fall, or of insufficient demand, depending on where one starts (Ollman 1993).

The post-war boom was the result of the unparalleled capital destruction during the 1930s and the war, with growth, rising profits and incomes (Mattick, 2012). In the US, the only country where the rate of profit has been accurately computed, rates fell from the 45% of the early 1950s to the 30% of the mid 1970s, from which it has since fallen to the 25% level (Kliman, 2012: 76). The British experience was similar. Worldwide, as profit rates fell in the 1970s capital was written off or transferred to different countries and sectors. Demand was insufficient, borrowers defaulted, banks and firms went under, access to credit shrunk, and unemployment soared. In the UK, to many it appeared that capitalism was finished (Glyn, 2006) as the unions challenged capital's right to manage, the state was increasingly involved in economic and societal management, and the proportion of the economy open to private accumulation fell.

Tourism's explosive growth coincided with the articulation of the crisis avoidance strategies and the explicit creation of political environments friendly to capital. In the following sections we examine how tourism reshaped the world for the neo-liberal class settlement, putting flesh on the contours of neo-liberal globalisation. Three inter-related tendencies

- the enhanced mobility of labour and capital and the expansion of the global labour force - changed the balance of power between labour and capital. The following paragraphs illustrate how they coalesced to construct modern tourism.

2.1 Escaping organised labour

Tourism's growth in the advanced capitalist countries replaces concentrations of skilled, unionised labour in large plants having long traditions of solidarity, with an individualistic, unskilled, disorganised, workforce located in small, fragmented workplaces. The combination of enhanced capital and labour mobility together with investment to reduce skill requirements disproportionately benefits tourism, because it makes it possible to assemble vast numbers of unskilled workers that helped acclimatise the rest of the world to the new realities of precarious working conditions, casual labour markets and non-unionised firms (Standing, 2010).

Large tourist destinations attract migrant labour that put pressure on wages in the service sector. In the advanced capitalist countries de-industrialisation and immigration loosened labour's ties to locality and reduced worker resistance to the new order. Tourism grew on the back of an increasingly feminised, unskilled and immigrant workforce. With its ease of entry, its casualised labour market and low levels of unionisation, tourism creates third-world conditions in first-world high-cost tourist locations like London (Bauder, 2006). In 2015 64% of the 300,000 workers in London's hospitality industry were migrants (People 1st, 2016), contributing to the category of the working poor that has reversed two centuries of social reform. By reducing subsistence costs in high wage countries, wages and expectations are reduced for all other workers in those countries.

In a quarter of century from 1980 the global labour force expanded by nearly two thirds (Smith, 2016: 113), with the eviction of the peasantry and land grabs, supplying the labour force that fuelled the tourism boom in the minority world. Coupled with the fall of communism, this puts permanent pressure on wages everywhere, particularly since this is green

labour that has been introduced to weaken militancy. Tourism starts this process in the minority world, by breaking up peasant families, employing their young people, creating new reservoirs of labour in the cities where half are jobless, while at the international scale sending landless labourers from India to Dubai and Qatar as indentured building workers (Hickman, 2008).

2.2 De-regulation and political accountability

Capital mobility moves production to low wage countries or situations where capital is poorly regulated and levels of accountability are poor as in the cruise industry. Business-friendly locations intensify disciplinary class relations in the workplace and remove democratic checks over land use determination. As Dubai illustrates, absorbing capital on the scale required to have an impact on the vast amount of un-invested capital, requires conditions unimaginable in most countries: an undemocratic, disciplined, centralised and business-oriented state with unlimited powers, run by the elite, with little concern for human rights, the denial of citizenship to most of the population and a foreign work force that can be deported if it organises (Davis, 2006).

Democracy has always threatened capitalism because it potentially promotes values in opposition to those of business (Wood, 1995). Neo-liberalism's central elements - privatisation and globalisation - explicitly reduce democratic involvement in society by transferring production to more market-oriented regimes. Neo-liberal globalisation allows capital to move without democratic consent from either the originating or the destination nations (Wood, 2002: 12). Trade liberalisation and the export of capital effectively created international tourism as local elites dismantled barriers to FDI by rescinding restrictions on foreign ownership of property and shares, and on repatriating profits and dividends, by sidelining anti-monopoly legislation, reducing corporate taxation, harmonising accounting standards and weakening labour laws.

The effect has been a 20-fold growth of FDI since 1980 (see Adler and Hufbauer, 2008) with a steady

increase in the share of services (essentially financial and tourism) within that total. In the developed world its share has doubled between 1970 and 1990 to 48% while the absolute amount of FDI in services has increased from \$17bn to \$499bn (WTO, 2005). The World Tourist Organisation was created as this process started in 1975. From 1991 to 2001 between 35 and 76 countries made a total of 1400 legislative changes each year supporting FDI (WTO, 2005: 60). Similarly Western-style land markets have often been imposed which dispossess local people without formal title to land, often for tourist development.

Countries with large tourism industries such as The Maldives, Dubai, Qatar and Egypt, often have primitive forms of regulation typical of weak democracies or dictatorships. Three city-states within states - Macau, Dubai and Las Vegas - have been constructed with tourism in mind and depend upon an institutional framework consistent with strong states (Simpson, 2012). Franco similarly developed tourism through the absolute power that he had, although this was done partly to soften the image of fascism (Rosendorf, 2014). In Britain, tourism's growth was helped by allowing central government to overrule local democratic planning decisions.

2.3 Luxury consumption, status and legitimisation

Consumerism is central to the current class settlement with tourism part of that package. Neo-liberalism produces ontological insecurity for its workers, that now extends to the middle classes, but tourism provides the opportunity to buy back the loss of status and identity, the alienation and erosion of living standards, as its reward for acquiescence. Huge investment in mass tourism's infrastructure, in IT, aircraft, cruise ships, airports and large hotels, deskilling in jobs such as pilots, air traffic controllers and chefs, and labour market deregulation, reduces costs and provides consumers with ever greater luxury. Capital mobility increases competition, which takes the form of ever more luxury. That is enhanced by the service that tourists are given that reflects their command over labour. With increasing global inequality the difference in wages between tourist and worker rises,

allowing the Western worker to buy back the status they have lost. This effectively buys the loyalty of the aspirational upper-working and lower-middle classes.

Tourism was once a simple collective activity in which communities and families went away together with the primary aim of bonding (see Titchmarsh: 2010). It has since become a fashion item that expresses the values of individualism. It is fuelled by insecurity and the desire for status, which is subsequently reinforced by the high costs and the behaviour that accompanies such an item of conspicuous consumption. The more mobile people are, the lower their sense of community, stability, shared history and identity, and the more restless they are. Where people are strangers materialism can impress; as Young and Willmott's (1957) informants told them, if everyone's family history is known to their neighbours, then materialism is pointless. Once the old communalism is disturbed, individualism becomes self-perpetuating, and acts to maintain the working class in a state of dependency and anxiety.

Under these conditions, tourism has become a relational good - its value depends upon other people's consumption. When identity is derived from consumption rather than work, the insecure (the squeezed middle, for instance) use luxury to symbolise their association with the social class they aspire to. Subordinate classes may holiday in locations above their pay grade and engage briefly with the (assumed) lifestyle of their social superiors. Like any fashion product, tourism's vast range of products is marketed strongly around class as Destination Marketing Organisations demonstrate in their sensitivity to their position in hierarchies of class (Morgan and Pritchard, 1999).

2.4 Mobilities and class struggle in the cities

It has taken four decades of class struggle in the developed world's cities to create business-friendly environments. The battle against democratically organised local authorities has given capital power to construct spaces in which it wields economic and political power over workers, politicians, planners and regulators. One object of that struggle was

the institutional structure of working class labour reproduction that is now substantially cheaper and of poorer quality than previously. Tourism has been in the forefront of these changes, because it demonstrates that it can operate under these conditions. This has brought the new class settlement into the social democratic heartlands. Once-industrial cities like Leeds, Liverpool and East London have abandoned their working class past and privatised the central areas under regeneration initiatives with tourism playing a substantial role.

These cities have been 'cleansed' literally and metaphorically, transforming the ruins left by de-industrialisation into 'creative' and gentrified cities, earning their living through financial and business services, as well as high-tech and cultural production (Ferrell, 2001, 45; Graham, 2011; Porter and Barber, 2006; Smith, 1996). Tourism becomes the litmus test for middle class approval since they share the same tastes – up-market retail, the experience economy, a good environment and public safety.

Glasgow used its European City of Culture award to brutally rewrite its history in order to present a market-friendly image, abandoning its socialist tradition for populist cultural events (McLay, 1990). Following that year the Labour Council privatised its cultural activities in order that its libraries, festivals, and support to culture could enhance business interests and circumvent local democratic politics. Its cultural sector was then subject to direct censorship with the radical content of many of its activities suppressed in order to complement the council's aggressive tourism strategy (Gordon-Nesbitt, 2009).

2.5 Hospitality: expanding the sphere of production

Until the 1970s, most services remained outside the sphere of capitalist accumulation because of the difficulties in controlling labour in small and distant outlets with intangible products. Introducing Taylorist practices to the hospitality industry has transformed the sector. Because so many tourist firms were owner proprietors, transferring them to capitalist modes of production raised productivity and deferred the fall

in the rate of profit (Mandel, 1978; Ritzer, 2000). This has transformed many tourism sub-sectors, as fast food, theme parks, budget hotels and corporate football clubs replace the café, the travelling fairs, the landlady and the locally oriented, non-profit football. Commodifying service industries overcomes the limits to material consumption. Tourism expands demand without limit, but for access to credit, since it is an experiential good that meets psychological as well as material needs (Cross, 1993; p.9). If we have reached 'peak stuff' in the advanced capitalist countries, then growth in expenditure will be devoted to experience.

2.6 Reducing dependency on place

Capital mobility forces airlines, hotels, tour operators and investors to compete for their share of profit by re-positioning themselves in the production chain, with the powerful offloading the risks of competition, exchange and interest rates onto the others. This allows the winners to become independent of any particular place and thereby increase their certainty and raise the quality of their profits for better access to money markets. Bankers, landlords, tour operators and booking agents compete to capture those income streams that must be paid before profits are struck. The world's largest tourism firm, Priceline, takes a rent from millions of transactions, while financiers take a cut when airlines hedge fuel costs or franchisees need mortgages. Hotel chains negotiate franchising and management agreements by using the power of their brands to take a slice of the operator's earnings without taking on risk (Endo, 2006). Tour operators, similarly, force hotels in homogeneous locations to compete with each other over prices.

The powerful firms shed their loyalty to place, pitting themselves against governments and other firms to put pressure on the entire production chain to reduce costs. The cruise industry, for instance, uses its economic and political power to de-territorialise entirely (Wood, 2004, p.136). It thereby avoids regulation over labour, pollution and taxation while capturing the revenue that would have gone onshore (Patullo, 1996). In the West Indies the companies exploit the competition between countries to reduce port charges, while Royal Caribbean avoids them

altogether by buying a Haitian peninsula to overnight their passengers (Graham, 2011). By creating their own tourist environment they replace local diversity with a standardised product. The cruise industry also gains the ultimate in neo-liberal politics, the ability to escape regulation entirely by using flags of convenience.

2.7 Capital absorption

Tourism's aim to escape regulation and unionised labour and to exclude those surplus to production involves building new landscapes and absorbing many billions of pounds. Privatisation often saw the transfer of land cheaply to the private sector with much, particularly waterfront locations, going to tourism. The proposed Paramount Park in the Thames estuary, for instance, a sink for Kuwaiti petro-dollars, aims to be the world's third largest theme park, costing £2bn. Cruise liners cost nearly \$1bn., while mega-events (Roche, 2000) and airports, absorb huge sums. The proposed Olympicopolis in Stratford suggests that there will be large investments as the legacy of the London Olympics. Dubai had \$100bn planned or under construction prior to the crash (Bagaeen, 2007). This investment is all conditional on the changed social relations in these locations.

Creating business-friendly environments, even in established localities may require the replacement of existing infrastructure and buildings. For example the proposal to make airports, urban nodes – 'Aerotropoli' – reflects the new supply chains serviced by air freight together with business travel and tourism (Kasarda and Lindsay, 2011). These nodes would absorb large sums and would avoid the political conflicts and populations in the old city while reinforcing the new social relations. In cities where they have been proposed such as Detroit, the costs of decline would be passed onto the state, while the new node would contain the most perfect class relations for capital.

Competition for profits between types of firms has led to further investment as the larger groups create enclosures in order to minimise leakage of tourist spending to smaller and local firms or direct producers. Property investors construct high barriers

to entry in order to capture as much tourist spending as possible so as to maximise tourist footfall. Investors have always created their own worlds to retain tourists – they include the Spanish Costas, Dubai, holiday camps, shopping centres and all-inclusive hotels, regenerated districts in city centres such as Covent Garden, coach trips, cruise liners and theme parks.

2.8 Privatising civic culture

The civic culture of the Victorian city is a stabilising force in Britain today since it expresses unity and inclusion, with its leisure facilities expressing the public good through the notion of one society. This lay behind Chamberlain's municipal politics and Glasgow's municipal socialism (Hunt, 2005). It is true that this politics was also motivated by elements of social control: stadia, exhibition halls and playing fields were publically owned in order to physically enclose and segregate the working class (Clarke and Critcher, 1985), but they still provide a real alternative to the anomie associated with neo-liberalism. As these cities become tourist attractions the museums, art galleries, swimming pools and stadia are privatised. Yet the notion of the citizen is rooted in the public facilities of the city that have real value especially to those without market power.

2.9 Commodifying culture

Tourism destinations are often very similar and that drives down the rate of profit. Place marketing tries to make destinations unique by associating them with specific cultural and historical objects and events. By appropriating and commodifying culture and history, places can escape the competition between homogeneous tourism resorts and charge a class monopoly rent (Harvey, 2012). Tourism therefore creates a source of monopoly profits. It matters not if that history is bogus; like all advertising it simply needs to be believed (see Trevor Roper, 1983 for Scotland).

Tourism acts as a spatial fix that lets capital escape from the class-ridden locations of social democracy to new environments where it constructs new social relations. It overcomes many of the blockages to

profit found in existing locations and activities and can absorb huge amounts of un-invested capital. It is a good with unlimited demand, which is organised around class relations. It reproduces capitalist class relations by encouraging individualism and spending in order to intensify status anxiety. Tourism used the new freedoms to introduce capitalist class relations into new sectors and areas, often replacing direct producers in the hospitality and accommodation sectors. In new locations, the sector assembles green labour forces with ease.

3. The counter tendencies and class as barriers to tourism's development

The CTs to the falling rate of profit are class strategies and are primarily concerned with appropriating rather than creating surplus value. As section 2 argued, they have been a means of renewing oppressive class relations. But they now limit growth. They destroy production facilities, shift production costs upon the state, stimulate social unrest and prioritise short over long-term aims. They can be deflationary and can cause a 'protracted economic slump' (Gill, 2005: 61). 'Crises are, as it were, the irrational rationalisers of an always unstable capitalism' (Harvey, 2013: 71). Tourism's problems are symptoms of this process and potentially destabilise the industry. They can have no solution because the CTs are themselves solutions to the profits crisis. Indeed they fail to compensate for the fall in the rate of profit (Perlo, 1973: 34; Vidal, 2010) and they were unable to reinvigorate economic growth because of the political limits on capital destruction (Kliman, 2012: 74). In this section I argue that the CTs limit tourism.

3.1 Inequality

High levels of inequality make tourism attractive since relational goods allow aspirational consumers to confirm their personal superiority. The more unequal the society, the more people's status is undermined and the more fashion goods, such as tourism, are consumed to regain it. This is an unstable position since there is no limit to it; markets will continually create new mixes of destinations, activities and accommodation that is marketed to appeal to the

aspirational, the dissatisfied and those who feel a loss of status. This sort of tourism validates high levels of inequality and class differentiation, normalising these differences both in their own societies and in the contrast between the tourist and their poorer hosts. Yet the contemporary state of inequality at all spatial scales, is regarded by the World Economic Forum as the greatest threat to world economic health (Dorling, 2014: 69).

Tourism epitomises the post-2008 world as the combination of austerity and enormous inequality sees the working poor facing customers who have benefitted from the inflated prices of financial assets and housing (Michel and Moore, 2014). Tourist cities such as London have levels of income and wealth inequalities historically associated with slave societies (Dorling, 2014), aggravated by the impact of tourism as employer and its impact on land values. The opposition to Heathrow's expansion plans starts to bring out these issues. It exposes how the rich fly and the poor service them at minimum wage, living under their flight paths, dying prematurely, while their children live in a city with very high rates of child poverty and are at a lifelong disadvantage as a result of difficulties of learning under a flight-path.

Tourism demonstrates these levels of inequality, and therefore potentially sets the scene for opposition. It shows how cities, stripped of manufacturing, turn over their centres to the middle class, indigenous and tourist, and how, as Harvey (2006: 89) argues, they have given away control over them to developers, landlords and bankers. This was exemplified by anger over the Olympics that helped fuel the London riots in 2011 (Lewis et al, 2012). A typical instance of the futility of intensifying class relations stems from the conflict between globalisation and the nation state. Business clamours for immigration so as to bring down wages and intensify productivity since migrants are more willing work anti-social hours in worse living conditions than indigenous workers (Migration Advisory Committee, 2014). Yet such a class strategy invites conflict with local populations and may on occasion backfire upon capital as it did in 2016 when much of the English and Welsh working class voted for Brexit.

For those rejected by consumer society, civil society such as a civic culture, is important, and so its privatisation leaves feelings of alienation. The contradiction between mainstream culture and the reality of rejection also makes for alienation. Without a civic culture, and in a world with reduced forms of community, class control is reduced, particularly for those without work. The result is urban instability, what Ramonet (2002), referring to the minority world, terms the 'social war', as the disaffected do not turn to politics, but turn their anger to petty crime.

We have seen how tourism avoids regulation, socialises its costs, or like airlines, dump its externalities upon vulnerable people. Traditional societies bear the costs of crime, drugs, and prostitution (Patullo, 1996). How much of tourism's profits exist because they do not pay the full costs of their operation? In 2011 airlines in Britain received a subsidy of £8bn a year (Full Fact, 2012). Climate change will ultimately have to be paid for by capital that has to pay wages higher than they otherwise would be so that the state can collect taxes. If capital collectively pays these costs, this makes for possible political instability. Will this affect the sector's expansion?

The visibility of the class relations around tourism has long generated political resistance particularly given its association with large-scale infrastructure and property investment. Subaltern populations come face to face with their lack of autonomy in the face of undemocratic national and super-national organisations. Questions over the Right to the City come increasingly to the forefront of urban politics (Schmidt, 2012). It is therefore not uncommon for people in tourist reservations to react against the sector, whether it is Goa, the West Indies, the Podemos mayors of Madrid and Barcelona, or Kailua in Hawaii that asked to be removed from the tourist map (Moscardo and Murphy, 2014).

Such attitudes are magnified when the sector becomes a major beneficiary of dispossession. Mega-events such as the Olympics have seen the state evict sometimes millions of people from their homes, as in Beijing (COHRE, 2007). Reconstruction after

the 2004 tsunami led to land grabs for tourism in India, Thailand and Sri Lanka as powerful interests pushed the fishermen and villagers off the coastal strip (Cohen, 2011). Costa Rica, Cambodia, Turkey and Cape Verde have all made large-scale land transfers to tourism (Zoomers, 2010), while the enclosing of beaches by all-inclusives is common everywhere. Land grabs are equally common in the advanced capitalist countries, as state-owned land, often in working class localities, is forcibly transferred to the private sector and recapitalised by tourism-related investment in retail, culture, entertainment and hospitality. Equally visible are 'water grabs', as tourism builds golf courses and bottling plants, while farmers have to give up harvests to cater for tourist profligacy. The political outcome of such conflicts is unpredictable.

3.2 Credit and property

Credit has always been a means to stimulate the economy during crises and after the tight monetary regime of its first few years, neo-liberalism loosened its chokehold. However cheap credit and loose monetary policy ultimately failed to stimulate the economy but inflated property prices, and caused a range of speculative bubbles, leading to further injections of liquidity into the banking system and further fictitious capital (Mandel, 1978; Mattick, 2011; Pettifor, 2013). Dubai's default in 2009 during the banking crisis was a sharp reminder of the scale of tourist investment. The response to 2008 was to pump credit into the banking system, but while that saved the world from further shocks, it could not be absorbed, leaving US banks with \$3trillion of excess reserves that they cannot spend (Michel and Moore, 2014). With a fractional banking system those reserves are multiplied, often using hyper-mobile financial instruments that become a source of speculative instability. Large tourism projects are a likely beneficiary, but these often emerge at the peak of a credit cycle and may then become stranded as interest rates rise.

Much investment in tourism is in speculative, property-based assets that, as Weiss (1997: 8) argues are "non-productive" assets or speculative ventures

and financial services - golf courses, real estate, hotels, department stores....'. The EU prevented Spain tackling structural imbalances in the economy and the financial sector's power. The result was a construction and consumer boom that took advantage of cheap lending and cheap migrant labour (Charnock, et al, 2011). The economy became a property-based asset bubble that rested on mass tourism and foreign and domestic home ownership, with depopulation in the interior and overdevelopment on the coasts. When that burst youth unemployment rates soared to over 50% (Lopez and Rodriguez, 2011).

Tourism absorbs large amounts of capital, but this is because it is a branch of the development industry and it attracts risk-averse investors who want asset-backed investments. This enhances the tendency of profit rates to fall because it increases the organic composition of capital (although urban infrastructure such as airports and roads may contribute to so many profitable opportunities that the mass of profits rise). However, where investment is in established locations where land prices are high, or where property prices are bid up by the flood of fictitious capital caused by quantitative easing (QE), tourism may absorb large amounts of capital and profit rates fall. Most fictitious capital invests in property because of low returns in manufacturing. In 2009 only 12% of bank lending in Britain was devoted to productive investment; the rest went on mortgages, commercial property and household consumption (Turner, 2014). London's luxury shopping and housing sectors may well be bubbles, since they have added so substantially to the capital stock that profits citywide may be depressed. The prevalence, therefore, of property in tourism investment suggests that the CTs will be frustrated and the rate of profit will remain depressed.

Excessive credit formation filters down to individuals and that has often boosted tourism since holidays are often paid for on plastic. If populations lose access to credit, then destinations may be unable to repay loans. The principle of paying low wages but making credit easy to obtain invites instability, as we saw in 2008.

3.3 Tourism needs the state

The move to escape state regulation is hardwired into the sector's DNA, yet tourism is the one sector above all others that requires a strong state because it relies on inter-firm cooperation and because of the preponderance of small firms. States deal with the sector's externalities that can improve the tourist experience by attending to excessive water usage or aircraft noise. Only the state can protect the environment that tourists come to see, prevent destinations exceeding their carrying capacity by limiting tourism, and coordinate the many different elements that make up the tourist product. In a sector where collective action by the industry is difficult, only the state can invest in infrastructure, amenity or in strategies for regulating tourist behaviour.

3.4 The incompatibles: mass tourism, individualism and difference

Tourism is about difference and small-scale niches. However capital's need to find large investment opportunities and the fact that tourism must be on a mass scale in order to bring prices down sufficiently suggests that tourism will remain mass. With QE and the progressive lifting of restrictions to bank capital formation (Pettifor, 2013) there is pressure from capital to find large-scale opportunities. How can we reconcile capital-intensive mass tourism with the idealist values of tourism, the desire for individuality, uniqueness, autonomy, freedom and difference? Large investments have no alternative but to cater for mass tourism despite their homogeneity and inauthenticity. Destinations such as Dubai, cruise liners, eco-tourism or theme parks must guarantee large customer flows to share infrastructure costs, and that requires attractions to appeal to everyone.

Mass tourism could create forms of tourism that becomes increasingly unattractive. Harvey argues (2012: 109) that creating unique places through manipulating symbolic capital ultimately attracts large capital that tends towards homogeneity and will undermine the efforts of place branding. The sheer weight of capital available for large-scale investment

means that the service environment will be highly capitalised, reducing human contact and increasing the number of chain stores. Will this de-motivate tourists? For many the motivation for tourism is exposure to different values and more 'primitive' lifestyles and societies (Burns and Al-Mahadin, 2007). Yet otherness under for-profit mass tourism must nonetheless be predictable, controllable and quantifiable (Ritzer, 2000). Genuine otherness is not compatible with luxury, convenience, safety, reliability, Western ethics, electronic money and internet access. In the West, commodifying the service industry makes for clone towns while the power of the tourist industry's hegemonic culture presents otherness through our own eyes.

Similar processes are at work where urban tourism attempts to compensate for manufacturing decline. The USA sees 'the mayor's "trophy collection" of identikit property assets such as conference centres, stadia, aquaria, redeveloped waterfronts and the mall that constitute urban tourism' (Judd, 1999; 39). Investment for tourism tends to be in enclosures that eliminate the difference, spontaneity and uncertainty that should create a contrast with daily life. These have become spaces of control designed to maximise spending and exclude undesirables. There are cultural enclosures too. The mega-musical, a stalwart of the tourist scene, is an automated spectacle that has brought Taylorism to the theatre and is reproducible and globally franchised (Burston, 2000).

Tourism constructs places that are the result of alliances between the world's largest firms to create what Derber (2002; 75) terms a 'genuinely global, corporate-dominated governing elite uncoupled from nationality ... (that is) truly unprecedented'. Yet this is not what tourism would want to be. Can individualism, the very basis of liberal democracy, be abandoned? How will tourists embrace the new mass tourism? Will tourism become an extension of everyday life with the backdrop changed? If that is the case, this is another instance of capitalism as a social totality, unable to be controlled and taking over all aspects of life. That again does not make for a stable situation.

3.5 Legitimizing neo-liberalism

As section 2 argued, tourism has effectively constructed and legitimated neo-liberalism. However this politics has undermined older forms of legitimation such as social cohesion, job satisfaction, religion, community, family, civic duty, civil society and nationalism. This leaves the task to consumerism with tourism an important component. We have seen how tourism weakens civic institutions through privatisation. Tourism is not necessarily effective in buying loyalty and legitimating the class settlement, because relational goods, that tend to be subject to fashion as tourism has become, feed on dissatisfaction, always offering something 'better'. Low wages and casual labour makes the all-important service element random, and the anti-state ideology of so many tourist industries means that the various parts of the tourist package are not always well coordinated. Some groups may be priced out of markets, certain destinations become inaccessible to others, and some destinations may not be able to keep up with the competitive race for re-investment.

The working class shares the dominant values of a consumer society, but large sections of it are systematically excluded from the consumer dream (Young, 2003). Equally 40% of the British population do not have a holiday (Roberts, 2004) despite it being seen a basic need. Since tourism tends to be one of the biggest annual items of expenditure, failure to satisfy more people is a major issue. Tourism has been on an escalator for the past 40 years, as it delivers lower prices, higher standards, and greater choice. What happens if expectations exceed what markets can deliver, if as Gray (2002) argues globalisation has reached its limits, or if incomes fall? While the economic ran ahead of the political in the first stage of neo-liberalism, it was able to accommodate tourism. Now that the political is catching up, the class relations are impacting on the sector – if Britain loses its access to EU labour, what would the consequences be of importing it from somewhere else? Will Heathrow be able to expand? Will France, the world's top tourist destination, lose its markets as a result of terrorism?

These are all questions of class that are starting to inhibit the industry's expansion.

4. Conclusion

Tourism is an unstable spatial fix that was significant in developing neo-liberalism. The industry, however, faces a set of intractable problems that show that its practice is not responsible by any criteria, whether environmental, social or ethical. These problems represent the sector reaching its limits of accumulation, although it will continue to press for ways of resolving them by intensifying its social relations - becoming more monopolistic, increasing its power over states, exploiting its mobility to outrun and fragment opposition, deflecting political resistance, coercing states to fight terrorism, and ignoring climate change. It will continue to resist restraint and develop its productive forces in destructive ways. This will open conflicts between continuing globalisation and political pressures for protectionism. The underlying class nature of these problems will become visible. Attempts to create an ethical and responsible tourism will be damaging because they will expose its social and then its economic irrationality, for instance its growing social costs that capital refuses to pay. Since tourism is a particularly pure distillation of neo-liberalism politics will these pressures endanger that politics?

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